Australian Bureau of Statistics

Statistics Weekly

Thursday, 3 February 1994

The week in statistics ...

ABS Catalogue No. 1318.0

IAN CASTLES
Australian Statistici

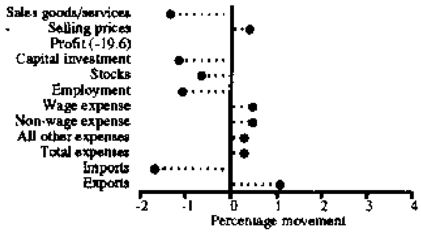
Australian business expectations

The second quarterly survey of Australian Business Expectations has revealed growing medium-term business optimism about sales and profits but a less buoyant outlook for investment.

The survey, taken in November, measured expectations in the short term (March quarter 1994 compared with December quarter 1993) and medium term (December quarter 1994 compared with December quarter 1993). Because this major survey commenced so recently, the measurement of seasonal factors is not yet possible, so quarterly changes in short-term expectations, in particular, should be treated with caution.

Short-term outlook

BUSINESS PERFORMANCE INDICATORS
Short-term outlook, March quarter 1994
Original data



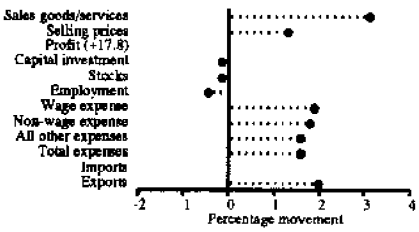
March quarter 1994 compared with the December quarter 1993
The survey reveals that sales of goods and services are expected to decrease by 1.4 per cent in the March quarter, and this may be explained by normal seasonal downturns in this period. Profits are expected to decrease by 19.6 per cent, a figure which is in-line with actual movements in profit for the March quarter in previous years.

An expected increase of 0.4 per cent in selling prices is matched by an equally small anticipated increase in total operating expenses (0.3%). At the same time, the investment outlook remains weak, with capital expenditure expected to decrease by 1.2 per cent. This is, however, a smaller decrease than that recorded for actual capital expenditure in the March quarter in recent years.

The poor employment outlook continues for the March quarter with further decreases in full-time equivalent employment of 1.1 per cent expected. Some of the fall may be the result of normal seasonal reductions in some industries.

Medium-term outlook

BUSINESS PERFORMANCE INDICATORS
Medium-term outlook, December quarter 1994
Original data



Medium-term expectations for growth in both sales and profits are stronger for the December quarter 1994 than they were for the September quarter 1994. A growth of 3.1 per cent is expected in sales of goods and services with growth of 17.8 per cent in profits.

Inflationary pressures are expected to remain weak. For the December quarter 1994 selling prices are expected to be only 1.3 per cent higher than those prevailing in December quarter 1993, in-line with an expected 1.6 per cent increase in total operating expenses.

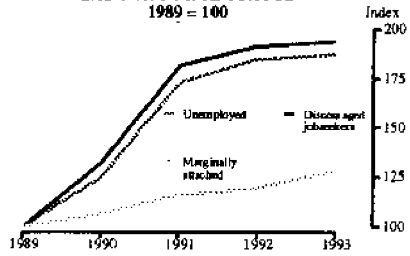
A small decrease of 0.2 per cent is expected in capital expenditure compared with the previous quarter's medium-term expectation of 1.5 per cent growth. Full-time equivalent employment is expected to continue to fall (by 0.5%) but not by as much as expected in the previous quarter's medium-term expectation.

The medium-term outlook for the international trade balance is encouraging with no change expected in the level of imports but exports expected to expand by 2.0 per cent.

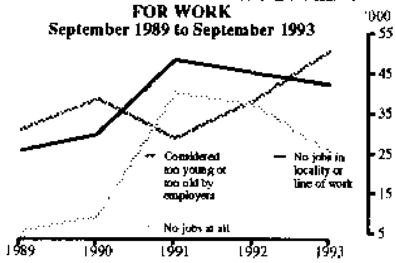
For further information, order the publication Australian Business Expectations *(5250.0), or contact Brian McLinden on (06) 252 5607.*

Increase in discouraged jobseekers slows

LABOUR FORCE STATUS
1989 = 100



REASONS FOR NOT ACTIVELY LOOKING FOR WORK
September 1989 to September 1993



Results of the latest survey of Persons Not in the Labour Force indicate that the rate of increase of discouraged jobseekers has slowed considerably in recent years.

Discouraged jobseekers are those persons who would like to work and are available for work but are not trying to find work because they do not believe they could get a job.

The total number of discouraged jobseekers, which rose rapidly between 1989 and 1991, is levelling out, with the number at September 1993 being 147 400, compared with 145 600 one year earlier and 138 200 in September 1991.

Within the discouraged jobseekers category, the number of people aged 15 to 34 has been declining since 1991, while those aged 35 and over have been rising since 1989. In 1993, 79 per cent of discouraged jobseekers were in the older age group.

'Considered too old or too young by employers' became, for the first time since 1990, the reason most commonly stated by discouraged jobseekers for not trying to find work, with 34 per cent giving that reason. The number citing the age barrier rose sharply from 38 100 in September 1992 to 50 800 in September 1993.

In all, 3 756 400 people aged 15 to 69 were not in the labour force at September 1993, or 30 per cent of the civilian population in that age group. Two-thirds of these were female, and of those 69 per cent reported 'home duties/childcare' as their main activity while not in the labour force. Four per cent of males gave this as their main activity, with most males giving either 'retired/voluntarily inactive' (37%) or 'attending an educational institution' (32%) as their main activity.

PERSONS NOT IN THE LABOUR FORCE WHO WANTED TO WORK BUT WERE NOT ACTIVELY LOOKING FOR WORK AND WERE AVAILABLE TO START WORK WITHIN FOUR WEEKS

Main reason for not actively looking for work	'000		
	Males	*Females*	*Persons*
Personal reasons	145.3	193.4	338.7
Own ill health/disability	36.0	43.4	79.5
Attending an educational institution	88.1	90.8	178.8
Other	21.1	59.2	80.4
Family reasons	7.4	275.5	282.9
Childcare	3.3	213.9	217.2
Discouraged jobseekers	40.0	107.4	147.4
Other	26.4	54.1	80.6
Total	*219.0*	*630.4*	*849.5*

Continued ...

There were 907 800 persons who wanted to work and were either actively looking for work but were not available to start work (58 300) or were not actively looking for work but would be available to start within four weeks if work was available (849 500). Of these persons, 69 per cent would prefer part-time work if they entered the labour force; and 42 per cent intended to look for work in the next twelve months and 23 per cent might look for work.

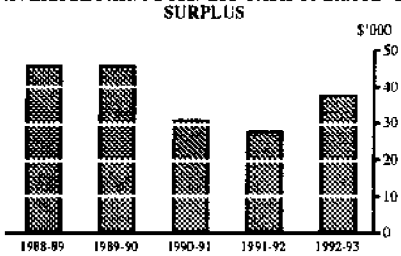
Of males in this group, the main reason given for not actively looking for work was 'attending an educational institution' (40%). 'Childcare' was the main reason given by 34 per cent of females.

For further information, order the publication Persons Not in the Labour Force, Australia *(6220.0), or contact Michael Jones on (06) 252 6503.*

Farm finances rise from trough

The 1992–93 Agricultural Finance Survey (AFS) preliminary results indicate an improvement in the farm financial situation from the low levels experienced in 1991–92.

AVERAGE FARM BUSINESS CASH OPERATING SURPLUS



Two main indicators of farm economic circumstances, turnover and cash operating surplus, both increased from 1991–92 to 1992–93. Estimated turnover for farm businesses in 1992–93 was $18 931.6 million, 1.9 per cent higher than 1991–92. Cash operating surplus for farm businesses in 1992–93 was estimated to be $4 026.6 million, 30.1 per cent higher than the 1991–92 estimate. The average farm business turnover in 1992–93 was $180 000 compared with a 1991–92 average of $169 400. The average cash operating surplus per farm business in 1992–93 was $38 300, just over $10 000 more than the 1991–92 average.

Farm business profit margin in 1992–93 was 21.3 per cent. In 1991–92 it had been 16.7 per cent. While aggregate gross debt of the farm sector declined only marginally to $14 720 million, interest paid on that debt, at $1 441.6 million, was 20.8 per cent below the 1991–92 level.

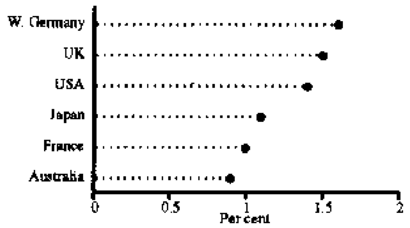
In 1992–93, just over 14 000 (13.4%) farms had turnover of $300 000 or more. These farm businesses accounted for 49.7 per cent of farm business turnover, 52.1 per cent of cash operating surplus and 45.8 per cent of farm business gross indebtedness. Farm businesses with turnover of $300 000 or more had a profit margin of 22.3 per cent in 1992–93.

An estimated 27 400 (26.0%) farm businesses had turnover less than $50 000. The average turnover of these farm businesses was $28 500. Farm businesses with turnover less than $50 000 were in an aggregate cash operating loss situation.

For further information, order the publication Agricultural Industries Financial Statistics, Australia, Preliminary Estimates *(7506.0), or contact Frank McCallum on (002) 205 939.*

New research estimates the cost of protecting our environment

TOTAL PAC EXPENDITURES AS A PERCENTAGE OF GDP, 1990



Australian governments and manufacturing and mining industries spent more than $3.2 billion on environment protection in 1990–91. The report *Cost of Environment Protection*, released last week by the Australian Bureau of Statistics (ABS), says the figure represented 0.9 per cent of Gross Domestic Product (GDP) in that year.

These are the first such estimates for Australia, and follow an approach adopted by the OECD of estimating expenditures on 'pollution abatement and control' (PAC) activities. These are defined as 'purposeful activities aimed at the prevention, reduction and elimination of pollution or nuisances that could have a harmful effect on the environment'.

PAC estimates cover only part of the total cost of environment protection, and this first edition outlines a framework for future collection of these broader costs. The Environment and Natural Resource Statistics Unit intends to update the data at regular intervals, and would welcome feedback from readers of this first publication.

Statistics on this topic are important for a number of reasons, particularly the following:

- the statistics are indicative of the response of various sectors to environment protection regulations and policies;
- the data will be input to the environment satellite accounts proposed as part of the Revised System of National Accounts; and
- the statistics provide some indication of the flow-on demand on the suppliers of goods and services for environment protection (the so-called environment management industry).

The report indicates that Australia's total expenditures as a proportion of GDP appear to be at the lower end of the range for the OECD member countries for sectors covered in 1990–91. However, it points out that such figures may be as much an indication of a country's good environmental condition as of a poor environment. Work over the coming years will assist in analysing the significance of these figures.

In 1990–91, the public sector accounted for $2.4 billion of the $3.2 billion spent. This included expenditures by the Commonwealth Government and State and local governments on water treatment, household garbage, sanitation, sewerage and urban stormwater drainage. Forty-two per cent of these government outlays were for sewerage, and a further 23 per cent were for water treatment. From another perspective, 63 per cent of outlays on these services were by State governments, and 35 per cent were by local government.

Continued ...

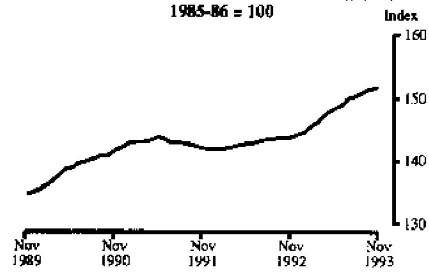
The manufacturing industry incurred $500 million in abating and controlling pollution, 51 per cent of which was for capital expenditures. The largest contributor to PAC was the basic non-ferrous metals industry (21% of all manufacturing PAC expenditure). Other significant levels of expenditures occurred in the petroleum refining, the basic chemical and the basic iron and steel industries.

The mining industry incurred $262 million in pollution abatement and control, 65 per cent of which was for capital expenditures. The coal industry and the non-ferrous metals industry incurred the highest levels of PAC expenditures, accounting for 94 per cent of mining industry expenditures. The mining industry reported $5.2 million of expenditure on research and development for the prevention or reduction of pollution. It also paid an estimated $5.2 million on environmental licences in the period of the survey.

For further information, order the publication Cost of Environment Protection *(4603.0), or contact Heather Olley on (06) 252 7874.*

Building materials prices — housing exceeds other building

PRICES OF HOUSE BUILDING MATERIALS
1985-86 = 100

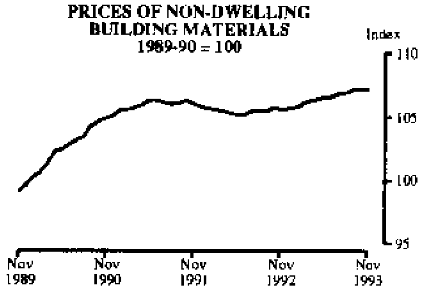


Prices of materials used in house building rose a further 0.1 per cent in November 1993, while for the second consecutive month prices of materials used in other forms of building were unchanged.

From November 1992 to November 1993 prices of materials used in house building rose 5.5 per cent. Prices of materials used in other forms of building increased by 1.5 per cent over the same period.

The main contributors to the overall November price increase in house building materials were structural timber (0.5%) and timber windows (3.1%).

PRICES OF NON-DWELLING BUILDING MATERIALS
1989-90 = 100



PRICES OF BUILDING MATERIALS, NOVEMBER 1993
Percentage change

	House building		*Other than house building*	
City	*From previous month*	*From corresponding month of previous year*	*From previous month*	*From corresponding month of previous year*
Sydney	0.1	4.7	– 0.1	0.2
Melbourne	0.5	7.2	0.1	2.8
Brisbane	– 0.4	3.1	– 0.1	0.8
Adelaide	0.1	12.3	0.1	3.0
Perth	– 0.2	1.9	– 0.1	1.3
Hobart	0.1	2.5	– 0.2	2.2
Weighted average of six State capitals	*0.1*	*5.5*	*0.0*	*1.5*
Canberra	0.3	5.6	0.3	1.1

For further information, order the publications Price Index of Materials Used in House Building, Six State Capital Cities and Canberra *(6408.0) and* Price Index of Materials Used in Building Other Than House Building, Six State Capital Cities and Canberra *(6407.0), or contact Mark Dickson (06) 252 6198.*

Inquiries

The ABS supplies a wide range of statistical information:

- through its bookshops
- by mail order (including subscription)
- by facsimile
- electronically.

To order any of the publications mentioned in *Statistics Weekly* or to inquire about the statistics and services available from the ABS, contact Information Services at any of the offices listed below. An Information Consultancy Service in each office provides assistance of a more extensive or complex nature.

ABS Central Office

PO Box 10
BELCONNEN ACT 2616
(06) 252 6627
FAX (06) 253 1404

ABS State Offices

NSW (02) 268 4611
Vic. (03) 615 7000
Qld (07) 222 6351
WA (09) 323 5140
SA (08) 237 7100
Tas. (002) 20 5800
NT (089) 432 111
ACT (06) 207 0326

Subscriptions

To subscribe to *Statistics Weekly* or any other ABS printed publication, phone the ABS Subscription Service toll-free on (008) 020608, or contact Information Services at any of the offices listed above.

Editor

Rad Leovic
(06) 252 6104

Grain fed cattle in brief ...

Results from the 1992–93 Agricultural Census show that 3 per cent of all establishments with agricultural activity reported sales of grain fed cattle.

Most of these establishments were in Queensland (37%), followed by New South Wales (34%).

Queensland accounted for 45 per cent of all grain fed cattle sold, followed by New South Wales (32%), Victoria (12%) and Western Australia (6%).

For further information contact Henry Stefanik on 008 801520.

Order from the following:

Expected releases over the fortnight to 15 February

2 Balance of Payments, Australia, December 1993 (5301.0; $16.50)
Building Approvals, Australia, December 1993 (8731.0; $13.50)

7 Retail Trade, Australia, December 1993 (8501.0; $11.00)

10 The Labour Force, Australia, January 1994, Preliminary (6202.0; $11.00)
Average Weekly Earnings, Australia, November 1993, Preliminary (6301.0; $11.00)

15 Price Index of Materials Used in Building Other Than House Building, Six State Capital Cities and Canberra, December 1993 (6407.0; $11.00)
Price Index of Materials Used in House Building, Six State Capital Cities and Canberra, December 1993 (6408.0; $8.50)

16 Price Indexes of Articles Produced by Manufacturing Industry, Australia, December 1993 (6412.0; $11.00)

Selected releases: 26 January to 1 February

Demography

Estimated Resident Population by Sex and Age: States and Territories of Aust., June 1992 and June 1993 (3201.0; $15.50)

Overseas Arrivals and Departures, Aust., September Qtr 1993 (3402.0; $14.50)

Social statistics

First Home Buyers, Aust., 1988 to 1990 (4137.0; $25.00) — *new issue*

Aborigines in WA, 6 August 1991 (Corrigendum) (4107.5; free)

Aboriginal People in the NT, 6 August 1991 (4107.7; $20.00)

National accounts, Finance and Foreign trade

Cash Management Trusts, Aust., December 1993 (5635.0; $6.00)

Labour statistics and Prices

The Labour Force, Aust., December 1993 (6203.0; $16.50)

Agriculture

Livestock Products, Aust., December 1993 (7215.0; $8.00)

Manufacturing, Mining, Energy, Service industries, Building and construction

Manufacturing Production, Aust.: Building Materials and Fittings, September Qtr/November Qtr 1993 (8361.0; $9.00)

Dwelling Unit Commencements Reported by Approving Authorities, NSW, October 1993 (8741.1; $11.00)

The latest — consolidated to 1 February 1994

Key national indicators

	Period	Units	*Latest figure available* Original	Seasonally adjusted	*Percentage change (a) on* Previous period	Corresponding period last year
National accounts						
Gross domestic product (GDP(A)) at 1989-90 prices	September qtr 93	$m	n.a.	96 123	0.3	3.2
International accounts						
Balance on current account (b) (d)	November 93	$m	− 1 475	− 1 162	10	12
Balance on merchandise trade (b) (d)	"	"	− 222	197	43	82
Balance on goods and services (b) (d)	"	"	− 248	80	—	—
Merchandise exports (d)	"	"	5 475	5 438	—	5
Merchandise imports (d)	"	"	− 5 697	− 5 241	− 1	3
Net foreign debt	September qtr 93	$m	177 805	n.a.	3.5	8.1
Net foreign liabilities	"	"	239 057	n.a.	6.6	14.6
Consumption and investment						
Retail turnover at current prices	November 93	$m	8 636	8 471	2.1	5.6
New capital expenditure at current prices	September qtr 93	"	6 368	6 495	3.5	6.9
New motor vehicle registrations	December 93	no.	48 541	45 857	− 6.1	− 0.2
Production						
Manufacturers' sales at 1989-90 prices	September qtr 93	$m	36 435	35 751	1.6	8.3
Dwelling unit approvals (d)	November 93	no.	16 161	14 879	− 0.3	4.6
Building approvals (d)	"	$m	2 209	2 092	6.1	5.3
Building work done at 1989–90 prices	September qtr 93	"	6 433	6 268	3.1	5.0
Prices						
Consumer price index	December qtr 93	1989–90 = 100.0	110.0	n.a.	0.2	1.9
Articles produced by manufacturing industry	November 93	1988–89 = 100.0	115.8	n.a.	1.4	− 0.1
Materials used in manufacturing industries	November 93	1984–85 = 100.0	126.0	n.a.	− 1.3	− 1.5
Labour force and demography						
Employed persons	December 93	'000	7 939.5	7 852.6	0.3	2.5
Participation rate †	"	%	63.7	63.0	− 0.2	0.4
Unemployment rate †	"	"	10.7	10.7	− 0.4	− 0.6
Job vacancies	November qtr 93	'000	38.2	38.9	5.1	31.0
Average weekly overtime per employee	"	hours	1.30	1.22	1.7	8.0
Estimated resident population	March qtr 93	million	17.6	n.a.	0.3	1.0
Short-term overseas visitor arrivals	October 93	'000	267	251	− 3.3	14.5
Incomes						
Company profits before income tax	September qtr 93	$m	5 283	5 073	10.6	21.9
Av. weekly earnings, full-time adults; ordinary time	August qtr 93	$	602.40	n.a.	0.8	2.8
Financial markets						
Interest rates (c) (monthly average)						
90-day bank bills †	December 93	% per annum	4.85	n.a.	0.05	− 1.05
10-year Treasury bonds †	"	"	6.70	n.a.	− 0.1	− 2.25
Exchange rate — $US (c) (d)	November 93	per $A	0.6649	n.a.	1	− 4

(a) Based on seasonally adjusted figures where available. (b) For percentage changes, a minus sign indicates an increase in the deficit; no sign means a decrease in the deficit or an increase in the surplus. (c) *Source:* Reserve Bank of Australia. (d) Later figures expected to be releases Wednesday, 2 February 1994.
NOTES: † = change is shown in terms of percentage points. n.a. = not available.

Key State indicators

	Period	*Percentage change from same period previous year* NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Aust.
New capital expenditure*	September qtr 93	− 8.8	25.4	− 5.6	27.1	16.8	6.8	n.a.	n.a.	6.1
Retail turnover (trend estimate)	November 93	1.8	5.0	4.5	6.5	9.5	4.4	n.a.	4.6	4.4
New motor vehicle registrations†	December 93	0.2	2.8	− 1.3	− 12.8	4.4	− 14.2	− 0.2	5.0	− 0.2
Number of dwelling unit approvals*	November 93	4.6	− 0.3	19.9	6.9	30.6	− 4.5	− 26.7	− 41.1	4.6
Value of total building work done	September qtr 93	0.4	4.1	9.2	10.3	20.9	13.3	1.1	− 6.9	5.6
Employed persons*	December 93	2.5	0.6	3.6	1.9	4.9	3.9	1.2	2.4	2.5
Capital city consumer price index	December qtr 93	1.3	2.4	1.9	1.9	2.3	3.3	2.3	2.1	1.9
Av. weekly earnings (full-time adult ordinary time)	August qtr 93	3.0	2.1	5.2	3.6	− 0.1	2.7	2.6	3.4	2.8
Population	June qtr 93	0.8	0.3	2.7	0.4	1.2	0.4	0.7	1.6	1.0
Room nights in licensed hotels and motels, etc.	September qtr 93	6.3	0.1	9.1	2.4	9.0	5.4	18.4	12.0	6.7

* Seasonally adjusted except for NT and ACT. † Seasonally adjusted.
Figures have been taken from a variety of ABS publications. Copies may be obtained from Information Services (see page 7). Some of the figures shown are preliminary, some final, and some are revisions of previously published figures. Users should check the latest relevant publication or with the ABS Information Services if the status of the statistic is important. The ABS should be acknowledged as the source when reproducing or quoting any part of this publication.

Printed by Alan Law, Commonwealth Government Printer, Canberra

2131800004948
ISSN 1033-8640

R‹ ›ded retail price: $4.50